



Our reference: FFTF 25/5/15
Contact: Fiona Plesman
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25th May 2015

Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET Post Shop NSW 1240

Dear Sir/Madam,

SUBJECT: Methodology for Assessment of Council Fit for the Future Proposals

Thank you for the opportunity to make a formal submission on the proposed methodology for assessing local government Fit for the Future (FFTF) proposals. On behalf of Penrith City Council I would like to make the following comments.

Penrith City Council supports the principles in the Consultation Paper and puts forward the following comments.

- **Strongly supports** alignment with IP&R
- **Strongly supports** scaling the benchmarks in the order of importance as: 'must meet' or 'must demonstrate improvement in' with timeframes to meet or make improvements towards meeting the benchmarks within 5 or 10 years
- **In regard to assessment ratings further clarification is requested regarding how the key elements of strategic capacity are to be weighted.**

IPART states in 3.1 of the Assessment Methodology that proposals will be **rated** as Fit, Not Fit, or Not Assessed, deemed Not Fit. To be rated Fit the proposal must first satisfy scale and capacity against the key elements of strategic capacity. To satisfy the Key elements of Strategic Capacity IPART states it may consider sufficient scale as:

- An appropriate minimum population size, or
- A target number of councils in the metropolitan or regional area or,
- A future plan of the council to achieve scale in the medium to longer term.

Further clarification is required on how these elements will be weighted.

Penrith City Councils Response to IPART's questions for stakeholder feedback (page 11 of the Consultation Paper)

1. Assessment of Scale and Capacity.
Response: Support the key elements for assessing scale and capacity
2. Rural Councils: **no comment**
3. Assessment of the sustainability, infrastructure management and efficiency criteria.

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Response: Agree with Jeff Roorda and Associate's (JRA) stated position on the request for clear guidance from IPART on *Bring to Satisfactory* (BTS) and *Maintain at Satisfactory* regarding Infrastructure Backlog; support for JRA's recommendation that BTS connect with IP&R; and support for the methodology as outlined in *Appendix 1 – Bringing Infrastructure to Satisfactory* of the JRA submission to IPART on Methodology for Assessment of Council Fit for the Future Proposals.

4. Council engagement with communities in preparing FFTF

Response: Welcome the recognition in the IPART consultation paper of the different ways to capture community feedback and IPART's recognition that councils would undertake consultation that is commensurate with the significance of the changes involved in their FFTF proposal. PCC suggests that consideration be given to the FFTF timeframes and the limited opportunity within the timeframe for extensive community engagement.

5. Should council performance against FFTF proposals be monitored?

Response: Yes, support the regular monitoring of performance against FFTF plans through IP&R, the Annual Report and Resourcing Strategy.

Yours faithfully

Fiona Plesman
Manager, Organisational Performance and Development